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C O N F I D E N T I A L SECTION 01 OF 02 MUSCAT 000718

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STATE FOR NEA/ARP, EEB/CBA
COMMERCE FOR COBERG

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TAGS: [ECON](#) [EINV](#) [PGOV](#) [MU](#)

SUBJECT: DAMAGE ASSESSMENTS CONTINUE IN WAKE OF GONU

REF: A. MUSCAT 668
[B](#). MUSCAT 654
[C](#). MUSCAT 638

Classified By: Ambassador Gary A. Grappo, reasons 1.5 b and d

Summary

[1](#). (C) The Omani government continues its efforts to assess the damage caused by tropical cyclone Gonu. Construction work remains on track, though questions have arisen regarding the supply of cement. Businesses remain committed to reopening in heavily damaged areas, and the environment appears to have weathered the storm. The government is already moving forward to develop better flood control plans for the capital, while the Sultan maintains a low profile, deferring action to his ministries. End Summary.

Assessing the Damage

[2](#). (U) As reported reftels, a special government committee continues to assess the damage caused by tropical cyclone Gonu and to evaluate requests for financial assistance. As part of its efforts, the committee recently completed a survey of approximately 59,000 houses in affected areas. Of those homes surveyed, approximately 86% sustained either total or partial damage as a result of Gonu. The government has provided hundreds of trailers to temporarily house families whose homes were destroyed, primarily in low-lying areas outside Muscat, but some displaced Omanis continue to live with families and friends.

[3](#). (U) The committee also found that 2,125 of the 5,674 businesses surveyed suffered damage as a result of the storm, with one of the areas most affected being in the Muscat district of Seeb, close to the city's international airport. Based on this assessment, the committee is determining the amount of aid eligible property owners will be able to receive. The committee has already authorized direct monetary assistance in 587 cases and approved 15.6 million Omani Rials (USD 40.5 million) for small harbor and utility repair work.

[4](#). (U) In addition to taking stock of homes and businesses, the committee is assessing Gonu's impact on the fishing industry. Habib al-Hasani, Director of International Relations at the Ministry of Agriculture and Fisheries, told Econoff that his ministry was conducting a survey of 1,400 fishermen, with the majority of respondents located along the Batinah coast. The results will be used to target further

assistance efforts.

Construction Continues

15. (U) Abdullah Abbas, Chairman of Muscat Municipality, reiterated publicly his pledge to have all construction projects under the municipality's jurisdiction completed on-time, including two featured road projects. He stated in media reports that work on the Southern Expressway project, intended to alleviate chronic traffic congestion along Muscat's main artery, would continue to move quickly, unfettered by the cyclone's effects. Abbas also commented that a major interchange project for the airport would be completed on-schedule, and that renovation work on several areas of the city would commence shortly. This announcement followed the municipality's completion of a temporary road re-linking Muscat with the heavily hit towns of Quriyat and Al-Amerat, which were cut off after the main highway running along Wadi Adai suffered severe damage. According to the government, over 95% of emergency road repairs have been completed.

Businesses Rebuilding

16. (U) Businesses continue the process of cleaning up after the cyclone. In Qurum, an upscale shopping district heavily damaged by the floods, many stores remain closed. Shop owners nevertheless, are determined to reopen in the same location. Ali Daud, President of Getco, the local franchisee of McDonald's, told Econoff that he plans to reopen one of

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his restaurants that was completely submerged by the extensive flooding. He predicted that this outlet would operational by August 7, and that he would not have any difficulty in obtaining insurance for the property. "It's not like a cyclone occurs every year in Muscat," he quipped. One of Econoff's local contacts, who owns a flower shop, has opened a temporary outlet in front of her store until repairs to the shopping complex can be completed.

Environment Intact

17. (U) In spite of the extensive damage caused by the cyclone, key contacts at the Ministry of Regional Municipalities, Environment, and Water Resources remain upbeat about the minimal long-term damage to the environment. Ali al-Kiyumi, the Ministry's Director General of Nature Conservation, noted to Econoff that while Gonu caused serious beach erosion along the 42 kilometer coastline of Ras al-Hadd, one of Oman's main turtle nesting areas, he still expects a banner season for female nesting turtles. Colonel Suleiman al-Busaidy, Superintendent General of Pollution Control, commented to Econoff that after extensive helicopter surveillance, it appeared that there had been no oil or liquefied natural gas spills during the cyclone. He credited an order issued by the government to keep ships out of Omani territorial waters until the storm had passed for protecting Oman's coastline.

Warning Against Price Gouging

18. (U) Said Amer al-Riyami, Economic Expert, Ministry of Commerce and Industry, told Econoff that his ministry was paying special attention to ensuring that shop owners and distributors refrain from price gouging. In addition to making sure that essential food items were getting to market, the ministry was evaluating what type of assistance might be

offered to help small business owners recover.

¶9. (U) Demand for cement needed for recovery efforts continues to outstrip supply. Media report that cement shortages, which are delaying construction work, have resulted in price increases of up to 80%. Two major cement companies have pointed fingers at distributors who are holding on to large quantities of the material and called for the government to provide additional gas supplies to enable factories to ramp up production.

Planning Ahead

¶10. (U) The government is quickly moving ahead to ensure that the extensive flooding caused by Gonu does not occur in the future. The Ministry of Regional Municipalities, Environment, and Water Resources has confirmed that it will construct three dams along Wadi Adai, a significant waterway that led to the flooding of numerous Muscat neighborhoods. The dams, to be tendered in October, are projected to be completed in 2010. The ministry will also begin updating flood zone maps that were last revised almost 20 years ago. Once updated, it will recommend that projects not be constructed in areas most susceptible to flooding, and that those in areas designated medium to low risk show that construction will not alter the flows of the wadis to the detriment of other property owners.

Comment

¶11. (C) The Sultan continues to maintain a low-profile in the relief efforts, leaving his ministries with the task of spearheading reconstruction efforts. Judging from the reactions of local contacts, an increasing sense of normalcy has returned to the capital, with power, water, and sanitation services largely restored and debris cleaned up off of the streets. The situation also appears to have stabilized in Sur, the hardest hit region of Oman, though on a recent visit to the area, Emboff observed continued visible evidence of widespread destruction, including washed-out roads and damaged vehicles. Others have reported that the clean-up and recovery are moving less rapidly in outlying areas, especially those hard hit to Muscat's south.

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